



SUSTAINABILITY CONSORTIUM

An Introduction and Overview to TSC

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The Current Situation

- Increased consumer demand for sustainable products: B2B, B2C
- Economic & environmental inefficiencies in the supply chain
- Emerging global regulations
- Need to enhance scientific understanding of social and environmental impacts & benefits
- Inconsistent measures and reporting



How our Work Benefits Everyone



Researchers

Buyers

Consumers

Corporate Responsibility



The Sustainability Consortium is working towards a more sustainable future, driving improved consumer product sustainability and creating benefits for manufacturers, retailers, consumers, and the planet. Our working groups and initiatives are collaborating to build globally accepted standardized measurement and reporting.

The Sustainability Consortium



Vision

Long-term desired state

To be an independent organization of diverse global participants contributing to a more sustainable world through better products, consumption, and supply chains.



Mission

The way we achieve the vision

To develop and promote science and integrated tools that improve informed decision making for product sustainability.



Values

Shared Amongst Stakeholders

- Collaboration of diverse participants
- Scientific integrity
- Comprehensiveness and holism
- Transparency and accessibility
- Progress and solutions orientation

Some of the members...



... and more



L'ORÉAL

MARS

MillerCoors

MONSANTO



NP
NICE PAK
The Global Wet Wipe Experts

novozymes
Rethink Tomorrow

OCTAL

PE AMERICAS
A joint venture of Five Winds and PE

PEPSICO

P&G

SAP

SAFeway

Johnson
A FAMILY COMPANY

SCS
SCIENTIFIC CERTIFICATION SYSTEMS



Stonyfield
Organic

syngenta



Tyson

UL Environment
YOUR PARTNER IN SUSTAINABILITY

Unilever



Walmart

WM
WASTE MANAGEMENT

Academic Partners



The Sustainability Consortium



• **TSC Launch** *(July 2009)*

• **Food, Beverage & Agriculture Sector Launch** *(July 2009)*

• **Home & Personal Care Sector Launch** *(September 2009)*

• **First Steering Committee Meeting** *(October 2009)*

• **Electronics Sector Launch** *(January 2010)*

• **Consumer Science Launch** *(April 2010)*

• **Second Steering Committee Meeting** *(April 2010)*

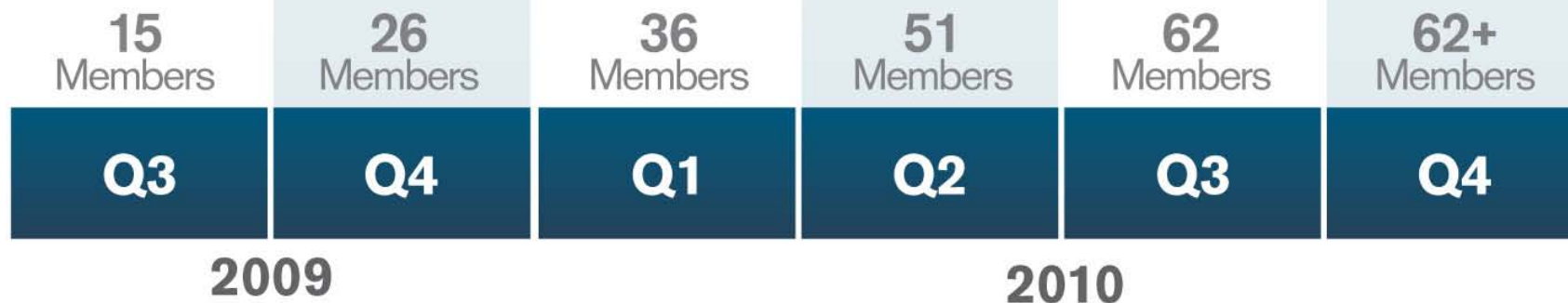
• **Measurement Science Launch** *(May 2010)*

• **Systems Science Launch** *(July 2010)*

Assurance Launch *(September 2010)* •

IT Standards & Tools *(Evolved from February 2010 to Launch September 2010)* •

Third Steering Committee Meeting *(October 2010)* •



2009

2010

Working Groups



MEASUREMENT
SCIENCE

Underlying LCA methodologies for creating baseline models and defining impact categories



CONSUMER
SCIENCE

Market research to inform SMRS development and communicators with consumer insights



SYSTEMS
SCIENCE

Database and evaluation of existing labels based on back-end data



ASSURANCE

Verifiable standardized process for developing SMRSs



IT STANDARDS
& TOOLS

Support IP policy, information transfer and data hubs, and software solutions.



ELECTRONICS

Sector Prototypes
Laptop
Television



FOOD, BEVERAGE
& AGRICULTURE

Sector Prototypes
Wheat Cereal,
Flavored Yogurt,
Fruit Juice

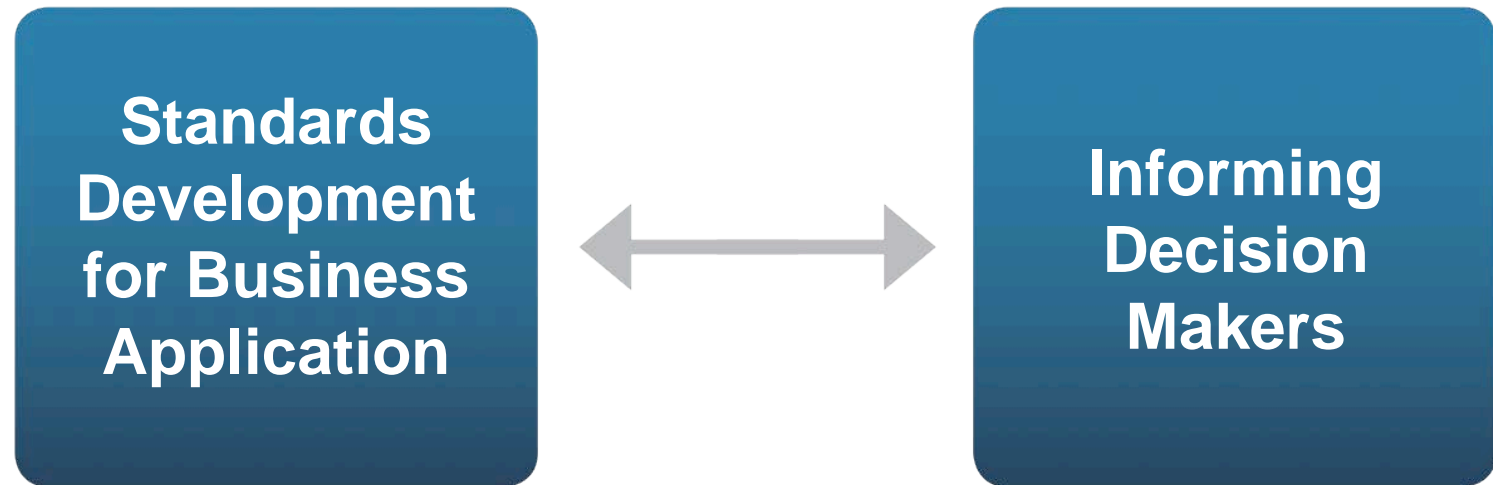


HOME &
PERSONAL CARE

Sector Prototypes
Laundry Detergent,
Shampoo, House-
hold Cleaner

Development of Sustainability Measurement and Reporting Standards

We Provide Science and Tools for:



Drivers for Standardized Sustainability Measurement and Reporting

- Retailer versus Supply Chain
- Need for “apples to apples” comparisons
- External pressures leading to Eco-labeling
- Eco-labeling causing confusion
- Government Regulations (US & International)
- Systems versus Sectors (Food and Non-Food make up 41% of GHG in US)



What is an SMRS?

- Sustainability Measurement and Reporting Standard based on LCA
- Establishes a foundation that allows business to business, business to retail and business to consumer reporting.
- It addresses the questions:
 - What sustainability measures or attributes should be captured?
 - How should they be measured?
 - How should they be reported?



Standards Development for Business Application



How is an SMRS developed?

- TSC Sectors develop and validate **SMRS**
- Expanding with **new sectors**
- TSC Sector Coordinator and stakeholders: **industry members, academics, NGOs and Government agencies.**
- **ISO 14020 Environmental labels and declarations** — General principles
Valid, verified, scientifically-based, transparent, life-cycle based, innovation focused, multi-stakeholder developed, accessible



HOME &
PERSONAL CARE



FOOD, BEVERAGE
& AGRICULTURE



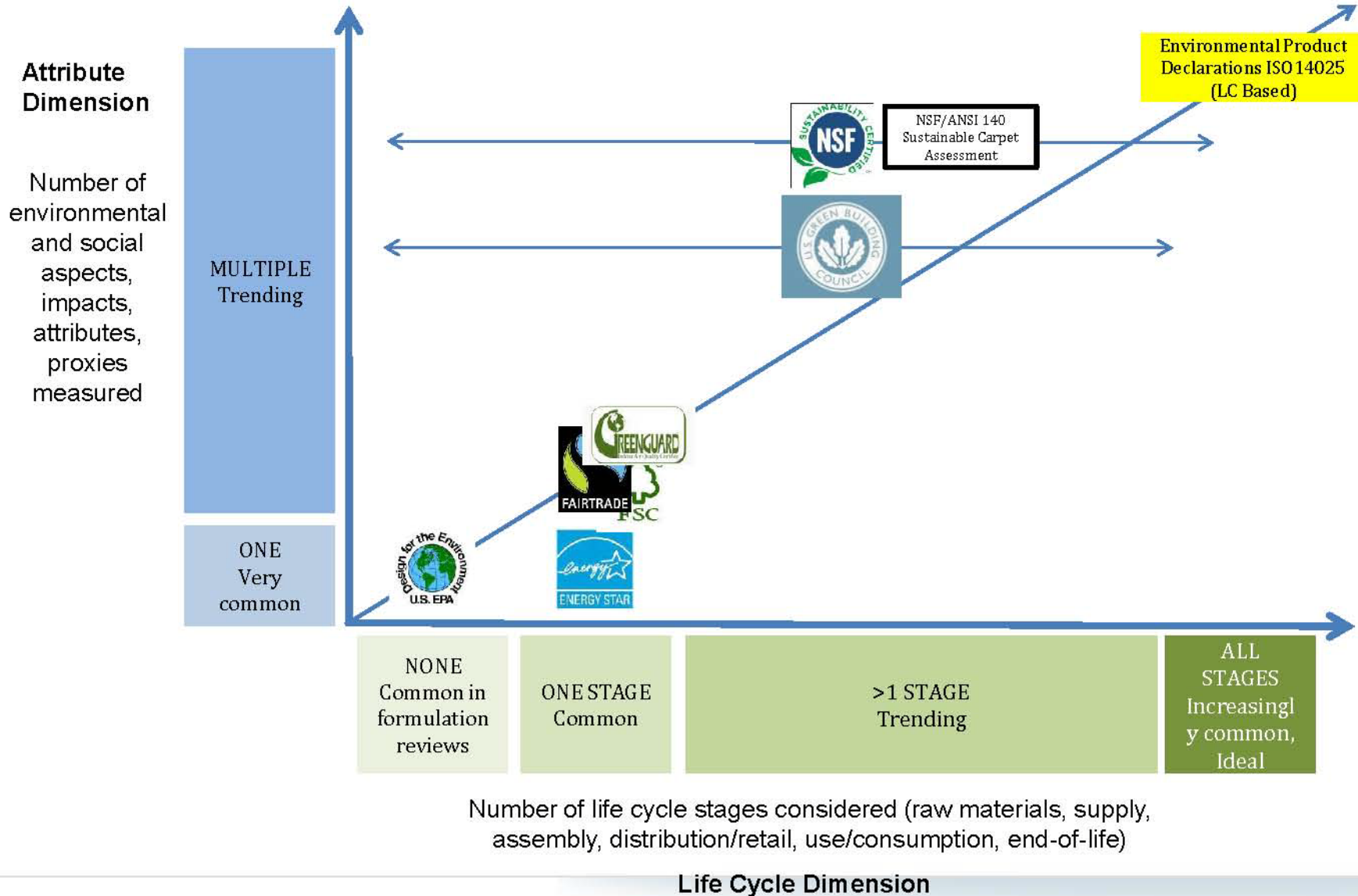
ELECTRONICS

How can an SMRS be used?

- Use a Consistent Framework for **Benchmarking and Goal Tracking**
- **Prioritize Opportunities & Risks** in Supply Chains and Product Life Cycles
- Measure the **Footprint of Your Products**
- **Compare your products** to an industry average model
- **Ask the Right Questions** of Your Suppliers and of Your Internal Operations
- Evaluate **Decisions Based on Impact Triggers**
- Alter the model to **suit your specific supply chains and product features**, or specific design alternatives
- Focus the Allocation of Your Resources Where You Can **Capture the Most Value**
- **Differentiate your product** from the industry average

- The TSC is developing a Sustainability Product Declaration Program as defined by **ISO14025** Environmental labels and declarations – Type III environmental declarations.
- TSC includes more than environmental aspects so we are calling the SMRS an **ISO Type III+**. This will:
 - Provide consistent and accepted terminology.
 - Provide an internationally recognized framework for development of future SMRSs.
 - Allow for incorporation of ISO 14024 compliant Type I Ecolabels (e.g. MSC) to be used as potential sustainability indicators.
 - Provide more structure to the verification process.

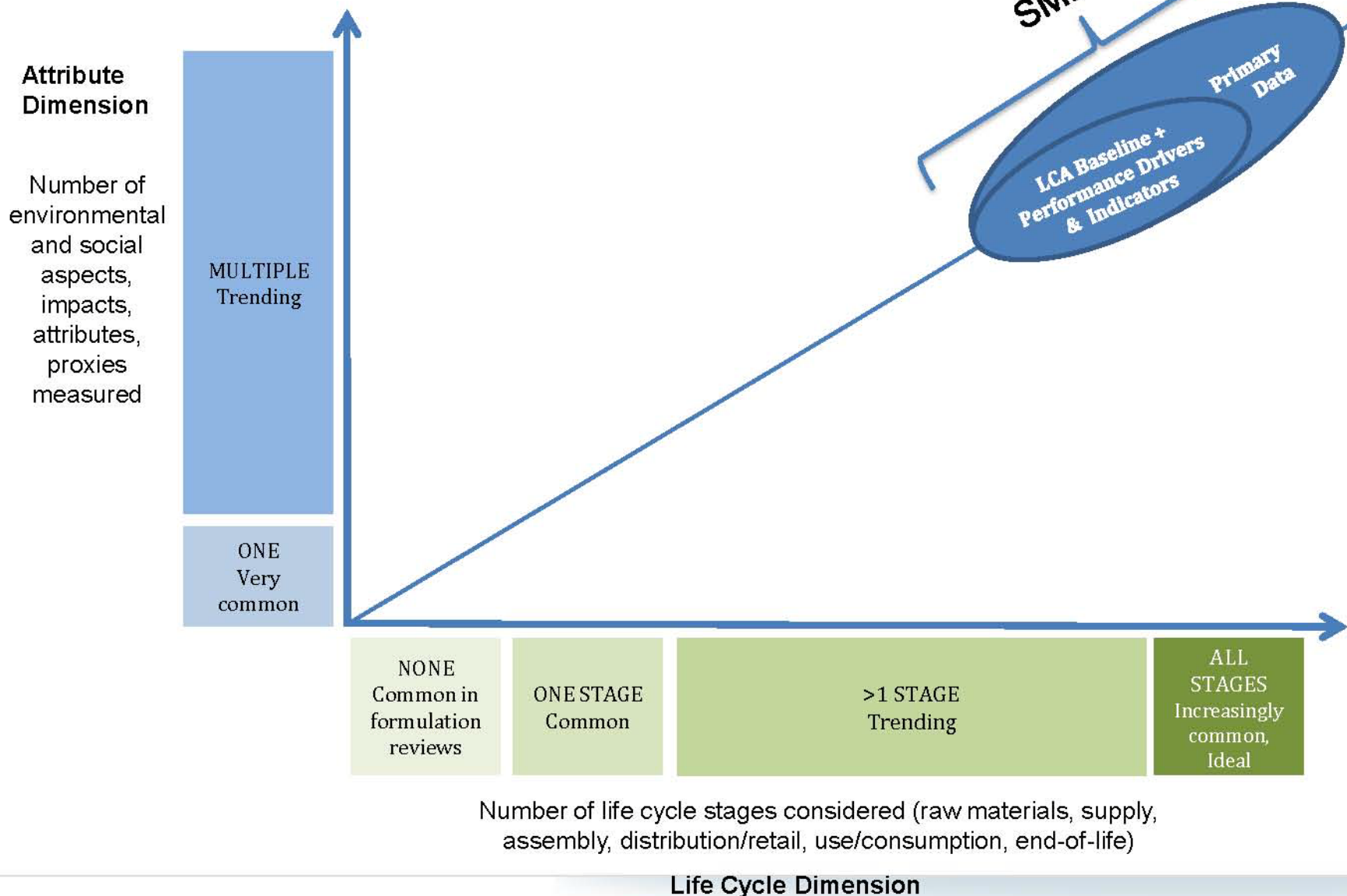
Product Sustainability Measurement Matrix



Sustainability Measurement and Reporting Standard (SMRS)



Increasing information on social and environmental preferability



Sustainability Performance Drivers

A performance driver is an accepted product or product supply chain attribute that has verifiable influence on a given result greater than the noise of uncertainty. Performance Drivers are able to have statistically verifiable results on total impact. Performance Drivers also enable product differentiation in a quantitative Footprint (e.g. Energy Footprint). The Baseline Model is adjusted using Performance Drivers to achieve a unique Product Footprint.

Sustainability Performance Indicators

A performance indicator is qualitative or quantitative information about results or outcomes associated with the organization or product that is comparable and can demonstrate change over time. At the product level, performance indicators are used to demonstrate direction progress towards improved product performance but cannot easily be linked to quantifiable impacts. As supply chain reporting, traceability and measurement methods become more robust and accurate some Performance Indicators may evolve into Performance Drivers.



Hot Spots

A hot spot is an area of a product life cycle that has significant potential impact on a given environmental, social or economic aspect. In the TSC Framework a 'hot spot' refers to a unit process, or phase, along the life cycle of a product (e.g. Ingredient Production). It can also refer to a combined geographic location and activity when used in the context of a 'Social Hot Spot' (e.g. child labor in a certain world region). While there is no set quantitative criteria for determine a Hot Spot it is generally regarded as contributing substantially to the total impact on a given aspect

In some instances, a Hot Spot may not be represented as a percentage of impact due to lack of data or complexity of system. In these instances a Hot Spot can be identified based solely on collective expert opinion (e.g. biodiversity loss due to forest destruction).



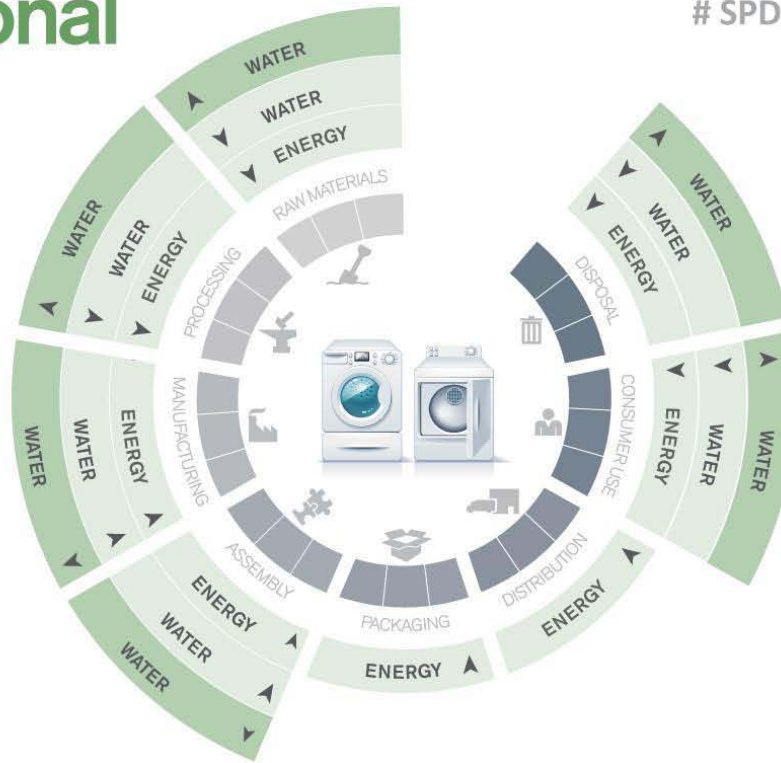
Example of Product Category Baseline Model



home & personal care

working group

Baseline Models: 1
Hotspots Identified: 6
SPDs Identified: 16
Example: Laundry Detergent



Functional Unit
One full load of laundry washed and dried



Geographic Scope
U.S., and Canada (distribution, use, and disposal) Europe (production)



Inputs
Energy
Water



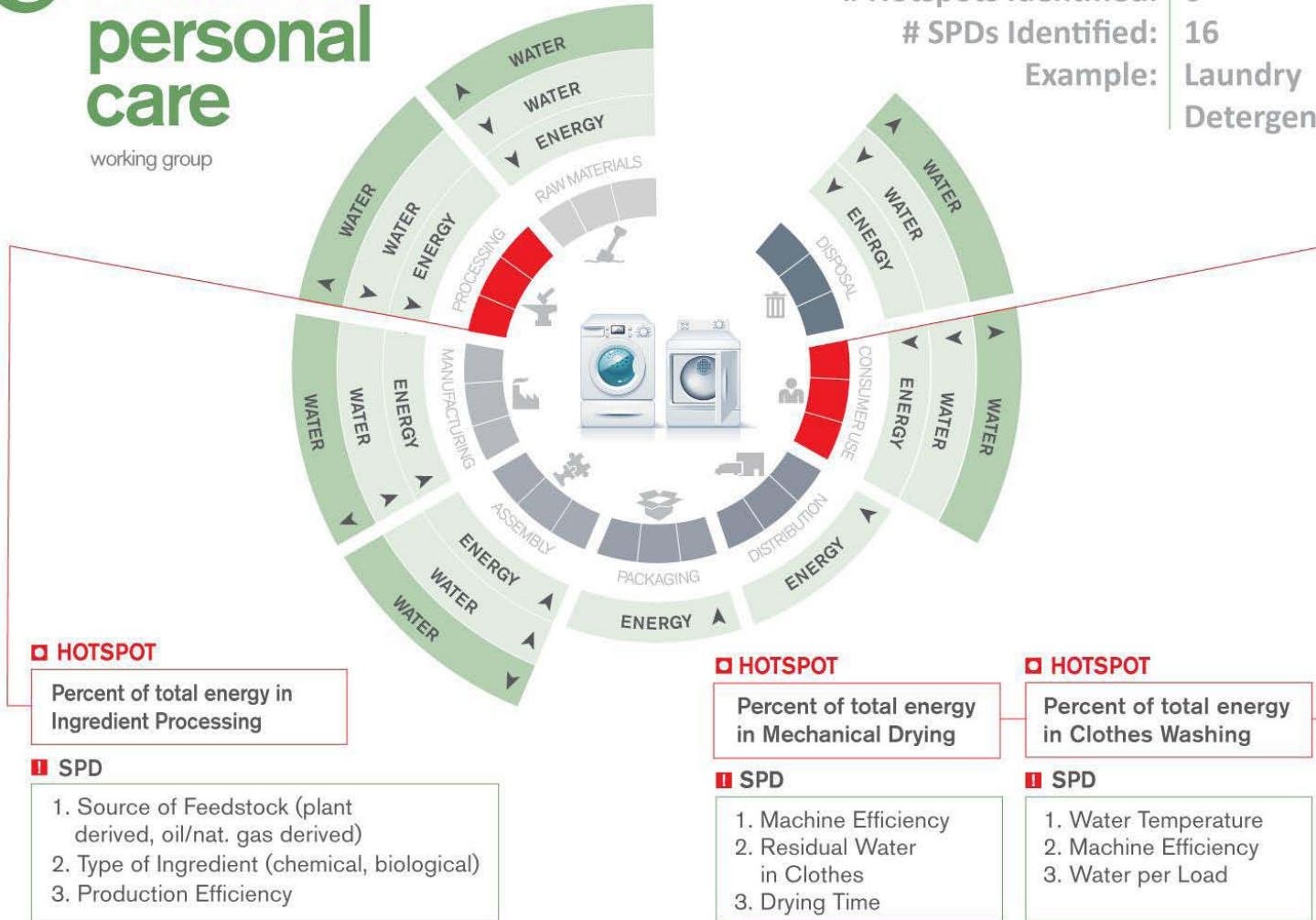
Outputs
Water

Example of Product Category Baseline Model

home & personal care

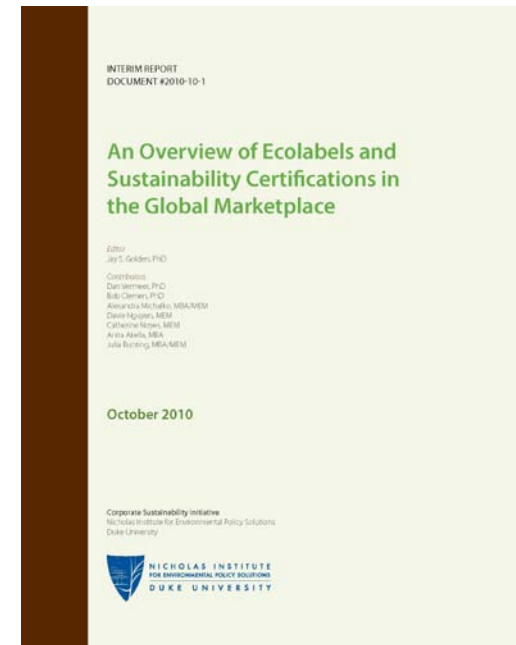
working group

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Update last FBA meeting

1. **Strategic plan** published in October 2010 on TSC website
2. **European expansion** of project during 2011
3. **Ecolabel landscape** report (part 1) published in October 2010 on TSC website
4. **Recognition of selected ecolabels as SPD** during 2011



Focus 2011

- 1. Sustainability Measurement & Reporting Standards (SMRS) by Sector**
- 2. Create a Data & IT Ecosystem** (integrated data sharing environment)
- 3. Integration of 1 & 2 to demonstrate practical application of SMRS embedded in IT tools**



SUSTAINABILITY CONSORTIUM

Thank You